



ADB's Water Policy Implementation Review

Asian Development Bank

BACKGROUND BRIEF FOR PARTICIPANTS OF THE IN-COUNTRY CONSULTATION IN FIJI

WATER for ALL

AUGUST 2005

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I. INTRODUCTION

The in-country consultation process is a key component of ADB's comprehensive review of water policy implementation. Seven in-country consultations throughout the region are planned to secure feedback from stakeholders in ADB's developing member countries (DMCs). The consultations are scheduled in countries representing the five regions ADB serves and involve stakeholders from national and sub-national levels of government, civil society including NGOs and academe, private sector, the media, and other stakeholders involved in water sector related work. The in-country consultation for Fiji will take place in Suva, Fiji on 9 August, 2005. This consultation brief provides background information on ADB's water policy and review processes, outlines the agenda and focus for the in-country consultations, and provides a summary of ADB water operations and progress in Fiji and the Pacific Region.

II. BACKGROUND ON ADB'S WATER POLICY AND REVIEW PROCESSES

A. ADB's Water Policy and Review Process

In 2001, the Asian Development Bank (ADB) outlined its vision for integrated water management in the region in its "Water for All" water policy. The policy recognizes the Asia and Pacific region's need to formulate and implement integrated, cross-sectoral approaches to water management and development.

The principal goals outlined in the water policy are as follows:

- Promote a national focus on water sector reform
- Foster the integrated management of water resources
- Improve and expand the delivery of water services
- Foster the conservation of water and increase system efficiencies
- Promote regional cooperation and increase the mutually beneficial use of shared water resources within and between countries
- Facilitate the exchange of water sector information and experience through partnerships
- Improve governance and capacity building

As stipulated in ADB's water policy, an in-house review of policy implementation was undertaken in the third year in 2003 and a more extensive comprehensive review led by an external expert review panel has been launched in 2005, five years after the policy was approved.

The purpose of the interim review was to assess how well the water policy has been integrated into ADB operations and to provide a progress report in advance of the comprehensive review.¹

The comprehensive review will build on the findings from the interim review and recent updates to the interim analysis to provide ADB and its various stakeholders with an assessment of progress to date to implement ADB's water policy and recommendations to improve ADB's water investments in the future.

The comprehensive review has four core objectives:

1. To assess performance or progress in the 7 key areas of the water policy
2. To identify challenges, investment requirements, and opportunities
3. To determine capacities and constraints in ADB and the DMCs (institutional, financial, human)
4. To advise ADB's management if the policy needs to be revised or supplemented

¹ A summary of key findings and recommendations from the interim review is included in Appendix 4.

As outlined in the fourth objective, the comprehensive review may result in recommendations to revise or supplement ADB's water policy. However, the focus of this review is to assess progress and experience in policy implementation. If recommendations are made to revise the policy itself, they will be taken up under a separate exercise.

B. Expert Review Panel

In accordance with ADB's water policy, ADB has commissioned an expert review panel to guide the comprehensive review of its water policy implementation. In the selection of experts from the DMCs, ADB sought candidates with policy and decision-making experience in the water sector. Selection of panel members also considered a desirable range of expertise and experience across regional perspectives, gender, and key areas targeted in ADB's water policy: water sector reforms, water resources management, water service delivery, conservation, regional cooperation, knowledge sharing through partnerships, and governance.

The review panel consists of three leading experts from ADB's developing member countries (DMCs), and senior representatives from NGO, private sector, and bilateral donor communities. The Special UN Ambassador for Millennium Development Goals in the Asia and the Pacific region, Ms. Erna Witoelar, has been appointed to serve as the Review Panel Chair. A list of the panel members and their home countries is provided below and a summary of their short biographies is attached in Appendix 2.

Review Panel Members

Erna Witoelar, Indonesia (Panel Chair)
Li Yuanyuan, People's Republic of China
Gilberto Llanto, Philippines
Ravi Narayanan, India/UK
Pradeep Singh, India
Annelie Hubach, Netherlands

C. Review Design

Key Components and Methodology

The review will be conducted in a manner that ensures broad stakeholder participation, transparent proceedings and reporting, and wide dissemination of the policy and the results and recommendations of the review. Leading the review, ADB's review panel will be informed by feedback gathered at in-country consultations, regional workshops, water-related conferences, ADB staff workshops and surveys, and comments gathered on ADB's water website. Additional modalities may include interviews, case studies, desk study of loan, project and agreement documents, and involvement in external research studies relevant to the review.²

The review process will benefit from experts from policy, practitioner and academic networks enlisted to inform the work of the panel and participate in the in-country consultations and regional workshops where appropriate. Two Special Advisers will provide technical inputs, preparing papers and presentations to share during the second Review Panel meeting in August 2005. The Review Panel and its Special Advisers report to ADB Management through the Director General of ADB's Regional and Sustainable Development Department (RSDD).

² A timeline for major activities for the review is provided in Appendix 3 and an update of progress to date for each review modality is provided in Appendix 4. Regular updates are posted on ADB's website at <http://www.adb.org/water>.

Scope

The review will focus on the three key areas highlighted in ADB's water policy (water sector reforms, water resource management, and water service delivery), and the four cross-cutting issues (resource conservation, regional cooperation, knowledge sharing through partnerships, and governance). In addition to the seven key areas outlined in ADB's water policy, the comprehensive review will also consider a number of key internal and external issues and drivers relevant to implementing ADB's water policy and strengthening efforts to address the region's water sector needs:

Internal Drivers and Issues at ADB

- Investment partnerships with DMCs
- Internal water policy actions (development of skills mix, resources, use of available knowledge)
- Innovation and Efficiency Initiative
- Managing for Development Results Initiative
- Capacity Development Program
- Gender and Development Program
- Poverty Reduction Strategy (pro-poor sustainable growth, social development, good governance)
- NGO Framework: empowerment of and interactions with civil society
- Cooperation Fund for the Water Sector
- ADB's Financing Water Program
- Agenda for Change (from ADB Water Week 2004)

Broader Drivers and Issues

- Millennium Development Goals (MDGs)
- harmonization with MDBs and other donors
- dams and development (what is possible)
- public awareness and information
- knowledge management and partnerships
- private sector participation
- urban & rural linkages (balancing urban & rural development through water sector investments)
- disaster management with a pro-poor focus

D. Timeline and Expected Outputs

The review of ADB's water policy implementation is expected to span seven months and will produce a Panel Report and recommendations to ADB Management in December 2005.

The Review Panel will meet three times over the course of the review to examine various inputs, discuss stakeholder feedback, and prepare the Panel Report. The second meeting is expected to take place in Indonesia in late August in conjunction with the Indonesia in-country consultation and 2nd Southeast Asia Water Forum (29 August to 3 September). During the second session, Special Advisors to the panel are expected to present papers on key topics, and the Review Panel will finalize the outline of the Panel Report, which will be drafted for discussion at the regional consultation and final staff workshops planned for November. The final meeting of the review panel will take place in early December 2005 at ADB HQ to finalize the panel report and recommendations to ADB Management.

The main text of the final Panel Report is expected to be no more than 15 to 20 pages. At the end of the final work session, the Panel Chair will submit this report to the Director General of ADB's Regional and Sustainable Development Department (DG RSDD) who is responsible for the review. In December 2005 the DG is expected to circulate the report to regional directors to collect interdepartmental comments. In January 2006 the Panel Chair would discuss these comments with DG RSDD and finalize the report. As stipulated in the policy, DG RSDD will submit the final report to Management for circulation to ADB's Board of Directors as a Board Information Paper. At this time,

RSDD will also post the Panel Report on ADB's website. In February 2006, ADB is expected to initiate follow up actions in response to the Panel Report.

III. IN-COUNTRY CONSULTATIONS

A. Objectives and Process

ADB expects to conduct seven in-country consultations for the comprehensive review. The consultations involve stakeholders from national and sub-national levels of government, elected representatives, civil society including NGOs and academe, private sector, the media, and other institutions involved in water sector related work. In selecting participants and outlining the agenda, ADB will strive for a balanced representation across geography, ethnicity, gender, and the main subsector and thematic areas outlined in ADB's work.

The consultations are expected to take place during the months of June to November 2005 and are designed to generate feedback on policy implementation and other inputs to improve water operations, considering:

- experience in implementing the water policy
- achievements and lessons learned
- challenges and investment requirements
- opportunities and areas for improvement
- issues specific to the country and region that require attention

Review Panel members plan to participate in the in-country consultations, interacting with various stakeholder groups across the region.

Table 1: Tentative Schedule for Regional and In-country Consultations

Country	Regional Department	Proposed Dates
<i>In-country</i>		
Cambodia (Phnom Penh)	Mekong	23-24 June 2005
Fiji (Suva)	Pacific	9 August 2005
Indonesia (Jakarta)	SERD	25 August 2005
Kazakhstan (Almaty)	ECRD	15-16 September 2005
India (New Delhi)	SARD	28-29 September 2005
PRC (Zhengzhou)	ECRD	21 October 2005
Philippines (Manila)	SERD	October/November 2005 TBD
<i>Regional Events</i>		
PRC	Proposed Water Week	17-21 October 2005
Philippines	Regional Workshop	17-18 November 2005

B. Key Questions and Focus of Consultations

Stakeholder Surveys: Performance, Investment Priorities and Partnerships³

During the consultation, participants will be asked to contribute their views through two surveys focused on performance, investment priorities, and partnerships.

³ Both surveys are included in Appendix 5.

The Client Stakeholder Survey contains questions focused on ADB's performance, progress in the DMCs, and recommendations on investment priorities and partnerships. Related to the final question in the Client Stakeholder Survey, the NGO Center Questionnaire seeks input about partnerships and regional cooperation to help improve ADB's Cooperation Framework. This Framework aims to guide ADB's efforts to strengthen cooperation between ADB, NGOs, and the governments of ADB's developing member countries (DMCs).

Single-stakeholder Breakout Groups: Investment Priorities, Community Ownership, and Partnerships

Drawing on individual survey responses, the single-stakeholder breakout group exercise will focus on the following three questions:

- 1) INVESTMENT PRIORITIES: Where should ADB concentrate its water investments over the next 5 years in Fiji? What should be included in ADB's water investment packages in Fiji?
- 2) COMMUNITY OWNERSHIP/SUSTAINABILITY: What strategies would be the most effective in promoting community ownership of water infrastructure and services in poor rural areas in Fiji? (what about also in urban areas?)
- 3) PARTNERSHIPS: Which groups or organizations should ADB partner with in the next 5 years in Fiji and the Pacific Region?

For the single-stakeholder breakout group exercise, participants will be divided into three groups: 1) government and private sector, 2) NGOs and academe, and 3) international organizations and project resource persons. Each group will address three questions and prioritize the group's top answers to each question. Each group will designate a recorder during the group work and a reporter for the plenary discussion. The duration of this exercise is expected to be an hour and 45 minutes: 60 minutes for group work and 45 minutes for plenary discussion.

Multi-stakeholder Breakout Groups: Innovations and Progress, Challenges and Constraints, Actions and Opportunities

For the multi-stakeholder breakout group exercise, participants will be divided into three groups to consider three different topics. Within each group, participants will respond individually to three questions on color-coded cards. Each group will prioritize the group's top answers to each question. Each group will designate a group leader/reporter and a recorder. The group leader/reporter will work closely with the consultation facilitators to handle the group work and report the groups' outputs in the plenary session. The exercise is expected to take one hour and 45 minutes: 60 minutes for group work and 45 minutes for plenary discussion.

For both single-stakeholder and multi-stakeholder exercises, each participant will receive three note cards per question to record multiple responses to the same question (9 cards total each exercise). Participants will be asked to record one idea per card. Note cards containing individual responses will be collected for documentation and future reference. Listing participants' names or organizational affiliations on the note cards is optional. However, we ask that you indicate your primary stakeholder group affiliation: NGO, government, international organization, academe, private sector, or project resource person.

There will be a sign up sheet at registration for participants to select in which breakout group they prefer to participate. Based on the final number of consultation participants, each group is expected to have no fewer than eight participants and no more than twelve participants.

▪ **Group 1: National Water Policies and Water Sector and Sub-sector Reforms**

1. PROGRESS: What key improvements have resulted from the implementation of national water policy, legal, and institutional reforms in your country? What progress has been made to strengthen the coordination, institutional capacities, and participatory practices of the agencies and institutions charged with governance of the water sector in your country?

2. CHALLENGES/CONSTRAINTS: What challenges or constraints remain in the way of improving water governance at the national and sector and sub-sector levels?

3. REQUIRED ACTIONS: What water sector reforms are still necessary to build capacities, address constraints, and improve governance in your country? What should ADB do to help?

▪ **Group 2: Water Resources Management and Environmental Concerns**

1. PROGRESS: What progress has been made towards implementing integrated water resources management (IWRM) in your country? What improvements have been made (good practices) to acknowledge social and environmental concerns in water resources projects in your country?

2. CHALLENGES/CONSTRAINTS: What challenges or constraints remain in the way of improving water resources development and management and addressing social and environmental concerns in water resource projects in your country?

3. REQUIRED ACTIONS: What actions must be taken in the next five years to improve water resources development and management with regard to social and environmental concerns in your country? What can ADB do to help?

▪ **Group 3: Water Service Delivery (Water Supply and Sanitation)**

1. PROGRESS: What progress has been made to increase coverage and improve efficiencies in water service delivery in your country? What reforms have been implemented to improve the quality and sustainability of water service delivery in your country?

2. CHALLENGES/CONSTRAINTS: What challenges or constraints remain in the way of improving water service delivery in your country?

3. REQUIRED ACTIONS: What actions must be taken in the next five years to expand and improve water service delivery your country? What can ADB do to help?

In addition to answering the survey questions and breakout group questions, participants are also given the opportunity to identify and express any pressing concerns that were not covered in any of the consultation exercises. A form to record additional concerns and feedback will be included in the consultation seminar kit with the consultation evaluation.

Expected Outputs From Consultation Process

Each consultation is expected to produce the following outputs:

- Participants' assessment of ADB's water policy implementation and progress
- Participants' identification of key challenges, constraints, investment and capacity building requirements, and new opportunities that ADB should pursue in the short and medium term
- A summary report of the consultation reflecting participants' views and comments

IV. SUMMARY OF ADB WATER OPERATIONS AND PROGRESS IN FIJI

A. Country Strategy and Programs (CSP) and ADB Projects

The CSP and ADB Projects

The Country Strategy and Program (CSP) integrates the country operational strategy and country assistance plan processes and documents. Anchored on strong poverty, economic, social, and sector analyses, the CSP is prepared once every five years with developing member countries' (DMCs) active participation through consultation with the government and other stakeholders -- civil society, NGOs, the private sector, and other aid agencies. Currently, a CSP update (CSPU) is prepared every year taking into account the continued relevance of the CSP, its implementation, and its operational program for the next three years. Recent efforts to implement a more "results-based" approach to country programming have more closely aligned ADB's strategy and programs with the DMC's own development plan and included benchmarks to measure results in terms of NDP objectives and targets.

Importantly, the CSP:

- defines ADB's medium-term development strategy in agreement with DMCs
- identifies ADB's role and focus on poverty
- outlines DMCs' priorities
- determines ADB's country-specific poverty reduction strategy, thematic, and sector priorities
- focuses on results, measured by DMCs own benchmarks in line with ADB's Managing for Development Results Initiative

In line with the country's CSP, ADB provides financing for projects that will effectively contribute to the economic and social development of the country concerned and have the strongest poverty reduction impact in conformity with the country and ADB strategies. Project identification may require the help of outside experts, especially in the smaller and less developed DMCs. If so, ADB can provide technical assistance to help a country identify and prepare a project for possible financing.

In evaluating projects, ADB pays specific attention to the:

- economic viability, technical feasibility, and financial soundness of projects
- effect on development activity in the country concerned
- contribution to removing economic bottlenecks
- capacity of the borrowing country to service additional external debts
- introduction of new technologies to raise productivity
- expansion of job opportunities
- strengthening of institutions along the criteria of good governance
- integration of environmental and social considerations into ADB projects

Fiji's CSP and ADB Projects in the Water Sector in Brief

The current CSPU for Fiji, dated August 2004, covers the period 2005-2007, and a full CSP is currently in preparation. Pacific developing member country (PDMC) CSP/CSPUs are founded in ADB's *Pacific Regional Strategy: Responding to the Priorities of the Poor*, which has three key strategic objectives: (i) to support a conducive environment for the private sector, (ii) to enhance the supply of, and demand for, quality basic social services, including health, education, clean water and sanitation; and (iii) to promote effective development processes.

ADB is committed to promoting economic development and improving environmental management in Fiji and the Pacific Region.⁴ The CSPU recognizes that the water sector is integrally linked to economic growth, poverty reduction and preserving Fiji's environment. The expanding tourism industry is a good example of these inter-linkages: reliable and safe water supplies are needed for the visitors, sanitation and sound wastewater management are necessary to protect the environment the tourists come to see, and the industry creates income opportunities for all.

As outlined in the CSPU, meeting infrastructure needs for economic development, improving environmental management and improving the delivery of basic social services to all, including the poor requires institutional capacity building, institutional reforms, improved cost recovery, and improved coordination across sectors and government agencies within Fiji.⁵ The CSPU also recognizes the potential for private sector partnerships to contribute to infrastructure services.

ADB is directly supporting the water sector through the Suva –Nausori Water Supply and Sewerage Project and the associated technical assistance (TA), Capacity Building for Water and Sewerage. The total cost of the Project is estimated at about \$US 72M, with about \$US47M financed by ADB. The project includes extensive rehabilitation and optimization works as well as expansion of works and service area of the water supply and sewerage system. Included in the Project is an Institutional Reform Action Plan (IRAP) that is endorsed by the Cabinet. Institutional reforms and implementation of the IRAP is being assisted by project-funded project management unit. The TA aims to develop improved tariff systems for water supply, improve health and safety at water supply and sewerage facilities, improve customer, public relations and community awareness, strengthen environmental regulations, and strengthen management of industrial discharges to the wastewater system.

The nearly complete Urban Sector Strategy TA also relates to the water sector as it involves strategic planning to manage urban growth, including the provision of urban services such as water supply and sewerage. Looking ahead, proposed rural and outer islands development projects will also include infrastructure components and provincial and local governance, including service delivery management, will be supported.

ADB and Regional Initiatives

With commonalities of issues and needs, ADB water-related projects in other PDMCs are generally similar to those in Fiji. Assistance includes targeted efforts to build urban infrastructure, improve public health and sanitation, and explore opportunities to leverage hydropower and renewable energy sources, and related capacity building and institutional reform assistance.

Regionally, ADB supported Pacific preparations for the Third World Water Forum⁶, which involved extensive consultations, through which a Pacific Regional Action Plan on Sustainable Water Management (RAP) was developed and agreed at highest levels of Pacific Governments. An important outcome of these consultations and the RAP was the dialogue amongst water sector stakeholders that continues today. This dialogue is embodied in the Pacific Water Partnership Initiative on Sustainable Water Management, coordinated and facilitated by SOPAC (South Pacific Applied Geoscience Commission).⁷ The partnership has a number of functions including: liaising between and among regional stakeholder groups, researching and receiving stakeholder information, tracking donor and development agency programmes, identifying areas requiring implementation, and coordinating proposal submissions and project implementations, and finally responsible for high-level advocacy of the strategic approach. A working group of the Council of Regional Organizations in the Pacific (CROP) agencies has been set up to act as an overall coordinating body for Type II initiatives.

⁴ A complete list of water-related projects in Fiji and the Pacific Region are listed in Appendix 6.

⁵ These needs are generally common across PDMC CSP/CSPU with variations in emphasis and issue focus.

⁶ The Third World Water Forum was held in Kyoto, Japan in 2004.

⁷ SOPAC has a regional mandate to support Pacific Island Countries in water and sanitation.

ADB also supports continued implementation of the RAP through funding of a water-climate coordination unit at SOPAC.

In related areas of environmental management, ADB has implemented two regional technical assistance projects (TAs) which will benefit the Fiji Islands through information exchange, dissemination, and capacity building. These TAs are the Formulation of the Pacific Region Environmental Strategy 2004-2008, and Climate Change Adaptation Program for the Pacific, 2002. These projects resulted in ADB's Pacific Region Environmental Strategy.⁸

Other regional initiatives of note, which ADB considers in determining its role in the Pacific Water Sector, include the following programs by various development partners:⁹

- European Union Pacific Programme for Water Governance
- WHO Framework for Action on Drinking Water Quality
- AusAID Regional Programmed on Water Safety Plans,
- Rainwater Harvesting Partnership (UNEP Initiative)

B. Status of Progress in Key Priority Areas in Brief

1. *Water Sector Reforms*

The Government of Fiji (GoF) is committed to improved sector performance and to sector reform. As noted above, in the service delivery area, Suva - Nausori Water Supply and Sewerage project includes an ambitious reform program. Ongoing discussions highlight the need to create an autonomous agency dedicated to the provision of water and sewerage services. Such an agency would take a more commercial approach to the management of the urban water sector, improved billing and collection procedures, clear financial objectives for the sector and improved cost recovery and sustainability with an agreed timetable of tariff increases.

A dedicated Water Supply and Sewerage Department (WSD) has already been created, though much remains to be done for it to be fully staffed and administrative systems established sufficiently to be truly independent. The reform process has been linked to other reform efforts within PWD and throughout Government,¹⁰ benefiting from the inter-ministry committee that has been established to coordinate reforms in the water and roads sector. The reform process will also benefit from ongoing initiatives spearheaded by the Ministry of Public Enterprises and Public Sector Reform, including development of policies and enabling legislation for public-private partnerships.

The process will consider a number of options with a structure close to that of a commercial entity and would lead to a more coordinated management and performance of the sector; however, specific structures and ownership remain under study. The aim should be to achieve efficiency improvements as quickly as possible, and thereby to ease the burden of funding even routine operations on the Government. If this can be achieved, then the available Government funding can be directed toward areas where it is most needed.

⁸ Pacific Region Environmental Strategy, 2004.

⁹ These are examples only and not meant to be an exhaustive list of regional water activities.

¹⁰ The Government recognizes the need for fundamental economic and structural reforms in a various government agencies and state-owned enterprises as highlighted in its 2005 Budget Statement. These changes will be necessary to increase employment and investment as well as to foster a more productive private sector development, both essential to provide the basis for substantially reducing poverty. However, implementing and achieving these while balancing other political, economic and social realities remains challenging.

A national water policy is under development by the Mineral Resources Department. In consultation with various water-related departments, ADB prepared a draft water sector roadmap which contributes to informing this process (see also Water Resources Management Section).

The recent passage of the Environmental Management Bill (EMB) sets the stage for key institutional and detailed regulatory reforms in the Environment Department of the Ministry of Local Government, Housing, Squatter Settlements and the Environment. The EMB together with the institutional reforms and industrial discharge/trade waste program under development at PWD/WSD under the current ADB TA, will result in substantial improvements to wastewater management and environmental improvements. The timing of these initiatives offers opportunities to integrate overall environmental management and wastewater management. Similarly, the ongoing promulgation of the Public Health and Pollution Control Bill offers significant opportunities for integration and reform.

A Summary of Regional Efforts on Water Sector Reforms

- Regional coordination and opportunities are highlighted by the RAP and SOPAC coordinated activities noted above. The RAP includes six themes: water resource management, island vulnerability, awareness, technology, institutional arrangements, and finance.
- Some countries, e.g. Papua New Guinea and Samoa have held national consultations following the approaches of the regional strategies and are developing sector-wide approaches to water management.
- The Pacific Water Association continues as a regional association of water utilities. Currently, however, it is struggling financially.
- On the environmental management side, CROP working groups also facilitate regional coordination, mainstreaming of environmental issues into development policies and supporting necessary institutional reforms. The regional legal framework also has been strengthened with the completion of the Convention on the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean and the entry into force of the Waigani Convention relating to the trans-boundary movement of hazardous wastes.

2. Water Resource Management

While Fiji benefits from a plentiful supply of fresh water and a high annual rainfall (varying between 1,500 mm per year on some outer island to over 7,000 mm per year on the hills of the windward side of the two main islands), the uneven spatial and temporal distribution of this rainfall causes occasional flooding and periodic drought. Up to 80% of rainfall is experienced during the pronounced wet season from November to April, and the leeward sides of islands suffer from little or no rainfall during dry seasons – further exacerbated by the periodic onset of El Nino.

Demand for fresh water will increase dramatically over the next few years as a result of the fresh water requirements of increasing urbanization and further industrial development – particularly of the tourism industry and agricultural diversification towards crops demanding irrigation, as the sugar industry continues to decline.

The ability of the sector to continue to satisfy these increasing demands without threatening resource sustainability is hampered by the lack of comprehensive legislation encompassing water management compounded by the large number of agencies that deal with water-related matters. The most heavily involved in the water sector are the Ministry of Works (Public Works Department/Water and Sewerage Department), Ministry of Lands and Mineral Resources, Department of Environment (Ministry of Local Government, Housing, Squatter Settlements and Environment) and the Ministry of Agriculture Forestry and Fisheries. There are procedures for areas of common interest but these are at the project implementation level rather than the policy level. Moreover, there have been attempts in the past to resolve conflicts and develop good coordination. The Department of Mineral Resources (DMR) is leading the latest efforts, which include the drafting of water resources management

legislation. DMR's efforts appear to have gained some traction as progress on constraints in specific areas has been made. For example, PWD/WSD and the Department of Environment are beginning cooperative efforts to address industrial discharges and is studying tariff needs for the water supply sub-sector.

3. *Water Service Delivery*

Providing improved access to water services and sewerage is an integral part of the Government of Fiji (GoF)'s efforts to improve health and living conditions in Fiji. The government intends to upgrade urban and rural water supplies over the next five years, which should result in an increase in coverage to 80 or 90% of the country having access to a good piped water supply, which —where required —would be treated. This compares with 60-70% coverage at present. In urban areas, access to improved water supply is much higher with approximately 95% with access to improved water sources as compared to 75% in rural areas. Current poor cost recovery, a shortage of government funding, and lack of institutional capacity, hampers achievement of the Government objective.

Similar concerns in the past have resulted in the deterioration of physical assets and high water losses from leakage and wastage. Coupled with drought conditions, these problems have frequently led to water service interruptions. In Suva-Nausori and the Nadi-Lautoka areas, these physical conditions are being improved through major rehabilitation and expansion works. In the Suva-Nausori area, PWD/WSD physical improvements water supply and sewerage systems are guided by a Master Plan. Importantly, the root financial and institutional problems are also being addressed. The reform process reflects a need for more appropriate policies, more customer-focused water utility, more appropriate incentives for consumers to reduce demand to sustainable levels, and more adequate cost recovery mechanisms, without which the ability to operate and maintain water supply systems properly will be undermined and continue to place a heavy burden on the Government of Fiji (GoF).

Inadequate wastewater management, including limited service coverage of wastewater collection and treatment systems, sewer overflows and leaks, and unmanaged industrial wastewater discharges threaten public health and the environment. In the Suva-Nausori area just less than 30% of the population is served by the wastewater system. The Suva-Nausori Water Supply and Sewerage Project intends to increase this to nearly 50%. Still additional expansion is needed as much of Suva is hilly and its soil impermeable, causing poor septic tank overflows. Where the system cannot be expanded community awareness and programs to ensure diligent design and operation of septic systems will be required. Industrial wastewater pre-treatment before discharging to the sewer system and adequate control of direct discharges to the environment need to be managed through coordinated programs of PWD/WSD and the Department of the Environment, as currently envisaged in the preliminary reports of the ongoing TA (Capacity Building for Water and Sewerage).

Rural water and sanitation will require additional investment to meet to Government's targets and the broader Millennium Development Goals. Cost recovery will be difficult. Groundwater, rainwater and surface waters are all used as water sources. A majority of these supplies are managed by local communities with larger systems receiving assistance from PWD. Contamination of many systems from human and animal wastes suggests the need for increased educational and awareness programs to promote improved sanitation practices as well as appropriate siting and design of facilities. In light of severe recent droughts, community education and awareness of conservation needs are appropriate.

C. Key Issues Facing Fiji and the Pacific Region's Water Sector

The key environmental issues affecting Fiji are (i) insufficient natural resources conservation (ii) waste management and increasing pollution, (iii) increasing energy consumption and climate change, and (iv) increasing urbanization. In addition to these issues, improved water management and

implementing ADB's water policy are hampered by (i) inadequate and unclear policy and regulatory environment for managing water resources, including number of involved agencies and lack of clear coordination mechanisms among agencies involved in the water sector, and (ii) weak implementation of environmental legislation, (iii) nonexistent or weak implementation of cost recovery systems, and (iv) insufficient capacity to manage increasing complexity of water resource management, water service delivery, and environmental concerns.

Many of these same issues are faced by other PDMCs but the particular priority and focus varies. Also, given local needs and opportunities, particular solutions and areas for action will need to be country-specific.

1. Inadequate and Unclear Water Policy and Regulatory Environment

The lack of a comprehensive and integrated water sector policy and integrated associated management systems is the core constraint to implementing ADB's water policy and improving water management in Fiji. Improved coordination amongst involved agencies is the first step and ongoing efforts to develop a national water policy need to be supported. Water sector management is compromised chiefly as a result of the following constraints:

- Unclear ownership, custodianship, jurisdictional authority, and provenance over water resources (complicated by the customary rights over water resources by indigenous land owners)
- Inadequate and unclear policy and regulatory environment governing the exploitation and use of fresh water resources.
- The absence of a national water resource management plan and of a catchment-based perspective for water resource management and conservation

2. Weak Implementation of Wastewater Management and Environmental Legislation

Presently, existing legislation allows for establishment of pre-treatment systems of industrial wastewaters prior to discharge to the sewers but an appropriate system has yet to be established. The ongoing TA is assisting PWD/WSD to establish a pre-treatment (trade waste) system. The recently enacted EMB provides for regulation of discharge of wastewater to the environment, but the implementing regulations for the new EMB needs to be developed. Regulations should include clear guidelines and effective capacity to enforce such regulations must be developed. Moreover, EMB regulations and PWD/WSD industrial pretreatment regulations need to be coordinated. Similarly the proposed Public Health and Pollution Control Bill needs to be integrated into existing initiatives.

3. Nonexistent or Weak Implementation of Cost Recovery Systems

Inefficient use of water resources and inadequate cost recovery mechanisms for users to encourage efficient use and provide for operation and management and new investments prevents sustainable management and efficient delivery of water services. Appropriate tariff systems for the various system types and sizes need to be established. These tariff systems will need to take into account social obligations for affordable water supply and sewerage. Implementation of new systems will likely require a phased approach to ensure broad stakeholder support.

4. Insufficient Institutional Capacity

Institutional capacity remains limited across water resource management, water service delivery, and environmental management. Institutional capacity building needs relate to management systems and human resources. Institutional capacity often rests with a few key individuals, and if these individuals seek other opportunities, systems are not always in-place to allow others to implement agency

programs. Technical specialists are particularly difficult to recruit and retain. Improved coordination amongst key agencies would help to mitigate recruitment and retention problems.

Institutional capacity at the sub-national (district and local levels) is even more limited. As service delivery is decentralized, capacity building of sub-national agencies will be essential.

Public-private partnerships can help to address insufficient institutional capacity, keeping in mind that appropriate frameworks and legislative and regulatory systems are in-place to manage these partnerships.

V. FOR MORE INFORMATION ABOUT THE REVIEW AND THE IN-COUNTRY CONSULTATIONS:

Throughout the course of the review, the Lead Facilitator, ADB Water Policy Implementation Review, will oversee and manage all activities to monitor progress and to ensure that the review is completed on schedule. A Meeting Facilitator has also been enlisted to help organize and conduct the in-country consultations. Their contact information is as follows:

Kathryn E. Nelson

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ADB Water Policy Implementation Review
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Throughout the review process, regular updates will be posted on ADB's website for comment: at <http://www.adb.org/water>

Appendix 1: Agenda for In-Country Consultation in Fiji

ADB's WATER POLICY IMPLEMENTATION REVIEW IN-COUNTRY CONSULTATION FOR FIJI

Tanoa Plaza Suva, Fiji

9 August 2005

DRAFT Agenda

Introductions and Overviews

- 8:30 – 9:30 Welcome and Opening Remarks
Nancy Convard, Senior Programs Specialist/Economist, Pacific Liaison Coordination Office (PLCO, ADB)
Divendran Kumaran, Deputy Chief Executive Officer, Ministry of Works and Energy, Fiji
- Keynote Address:
Ifereimi Dau, Director of Mineral Resources, Fiji
Marc Overmars, South Pacific Applied Geoscience Commission (SOPAC)
Cristelle Pratt, Executive Director of South Pacific Applied Geoscience Commission (SOPAC)
- 9:30 – 9:45 Introduction of ADB's Water Policy: (film viewing)
Water for All: The Power to Change People's Lives
- 9:45 – 10:00 Overview of Comprehensive Review of ADB's Water Policy Implementation
Kathryn E. Nelson, Lead Facilitator, Water Policy Implementation Review, ADB
- Introduction of Consultation Agenda, Ground Rules, and Participants
Jean C. Laguerder, Meeting Facilitator, Water Policy Implementation Review, ADB
- 10:00 - 10:15 Questions
- 10:15 - 10:30 TEA BREAK
- 10:30 – 10:45 Overview of ADB's Water Policy
Charles Andrews, Resident Representative, Special Office in Timor-Leste, ADB (SOTL, ADB)
- 10:45 – 11:30 Fiji's Water Sector and Innovative Water Projects
Introduced by Nancy Convard, PLCO, ADB
- ADB's Suva-Nausori and Nadi-Lautoka Water Supply and Sewerage Projects.
Steve Blaik, Project Manager
- Live and Learn Environmental Education's Community Water Projects,
Marie Fatiaki, Programme Manager (TBD)
- 11:30 – 11:45 Questions
- 11:45 – 12:15 Surveys: Performance, Investment Priorities, and Partnerships
- 12:15 – 1:30 LUNCH

Facilitated Exercises and Discussions to Secure Feedback on Water Policy Implementation

1:30 – 2:30	<p>Single-stakeholder Breakout Groups: Discussion of Survey Responses Investment Priorities, Community Ownership, and Partnerships</p> <p>Group 1: Government and Private Sector Group 2: NGOs and Academe Group 3: International Organizations and Project Resource Persons</p>
2:30 – 3:00	Report Out from Breakout Groups and Discussion
3:00 – 3:15	TEA BREAK
3:15 – 4:15	<p>Multi-stakeholder Breakout Groups: Innovations and Progress, Challenges and Constraints, Required Actions and Opportunities</p> <p>Group 1: Water Sector Reforms Group 2: Water Resource Management and Environmental Concerns Group 3: Water Service Delivery (Water Supply and Sanitation)</p>
4:15 – 5:00	Report Out from Breakout Groups and Discussion
5:00 – 5:30	Participants' Reflections and Closing Remarks
5:00 – 5:30	<p>Wrap up and Next Steps <i>Kathryn E. Nelson</i></p>
6:00 – 8:00	<p>DRINKS AND DINNER <i>Hosted by Nancy Convard, PLCO, ADB (TBD)</i></p>

Appendix 2: Short Biographies for Review Panel Members

Panel Chair

Ms. Erna Witoelar is the UN Special Ambassador for Millennium Development Goals in Asia and the Pacific. Before this post, she served as the Indonesian Minister of Human Settlements and Regional Development, responsible for the portfolio on housing & human settlements, public works, water resource management, and spatial planning. Ms. Witoelar also serves as the chairperson of the Indonesia Biodiversity Foundation (KEHATI) and is an Earth Charter Commissioner. She initiated several partnerships and organizations focused on governance and environmental reforms including the Partnership for Governance Reform in Indonesia and the Indonesian Forum for the Environment (WALHI) and provided leadership to others, serving as president of Consumers International and the Indonesian Consumer Foundation (YLKI). Ms. Witoelar received a masters degree in Chemical Engineering from the Bandung Institute of Technology, and completed post-graduate study in Human Ecology from the University of Indonesia.

Panel Members

Mr. Li Yuanyuan is the Deputy Chief Engineer and Professor of the Water Resources and Hydropower Planning and Design General Institute of the Ministry of Water Resources. In this capacity, he is spearheading several long-term water resource planning initiatives in the PRC focused on flood mitigation, infrastructure and land use, and national water sector development. Mr. Li also serves as the Secretary-General of the National Committee of International Water Resources Association and National Water Resources Planning Study Commission, Vice-Chairman of China Water Resources Association, China Natural Resources Association and is a Member of the International Collaborative Council of Water and Sanitation. Mr. Li obtained his B.S. in Hydrology and Water Resources from Chengdu Science and Technology University, PRC.

Mr. Gilberto Llanto is the Vice-President of the Philippine Institute for Development Studies (PIDS). Prior to this post, he has held various executive and technical (research) positions as a professional economist most recently with the National Economic and Development Authority (NEDA) as Deputy Director General [Under Secretary]. He currently serves as a Research Fellow with the Rural Development Research Consortium at the University of California, Berkeley, and is a member of the National Research Council of the Philippines and the International Association of Survey Statisticians. He is also a member of the Editorial Board of the Journal of Philippine Development. Mr. Llanto has chaired and served on the Board of Directors of several organizations including the Center for Training and Research in Agricultural Banking (CENTRAB), the Philippine Economic Zone Authority and the Philippine Economic Society. Mr. Llanto has conducted extensive economic research and policy work focused on financial markets, fiscal and monetary policy, agricultural finance, and public economics.

Mr. Ravi Narayanan is the Chief Executive of WaterAid, an international NGO focusing on the delivery of water and sanitation services and working on pro poor policy and advocacy issues worldwide. Prior to joining WaterAid, Mr. Narayanan was the Head of International Operations and Asia Director at ActionAid, where he previously directed programs for Africa, Asia and Latin America. He currently serves as a Trustee of Action on Disability and Development and is a member of the Water Supply and Sanitation Collaborative Council. Mr. Narayanan is also engaged as a Senior Associate with the National Institute of Advanced Studies. In addition to earning bachelors and masters degrees from Delhi and Cambridge Universities in Physics and Engineering, Mr. Narayanan has nearly two decades experience in engineering design, production, sales and general management in the UK and India.

Mr. Pradeep Singh is the President and CEO of IL&FS Infrastructure Development Corporation, which has established partnerships with the Federal Government and more than ten state governments in India for developing infrastructure projects in Public Private Partnership formats. Mr. Singh is a former member of the Indian Administrative Service and held several positions in state and central government before joining the IL&FS in 1997. He was also engaged in policy formulation and implementation of development programs that focused on the poor. Mr. Singh received a Masters of Public Administration degree from Harvard University and a MBA and M.Sc in Physics from Punjab University, India. He was also a Rotary International Graduate Fellow at Stanford University in the Department of Engineering Economic Systems.

Ms. Annelie Hubach is consultant to the Division for Environment and Water Resources Management of the Ministry of Foreign Affairs of the Netherlands. Ms. Hubach's work focuses on integrated water resources management and water and sanitation with respect to poverty and gender mainstreaming and institutional change. She is also engaged as advisor to the Netherlands' Council of Women assisting with policy and strategy development for the Women for Water Partnership. Prior to these engagements, she also served as an adviser with the Water Unit and Social Policy Division of the Ministry of Foreign Affairs of the Netherlands. Ms. Hubach obtained a Masters in Social Geography and Teaching Training College diploma from Vrije Universiteit van Amsterdam, with qualifications in Geography and History.



Appendix 3: Summary Timeline of Key Events

August 2005

Month	Major Activities (dates)
2005	
January-March	<p>PLANNING AND INCEPTION PHASE:</p> <ul style="list-style-type: none"> ▪ Interview ADB operations directors and staff to secure initial feedback on the review design and Review Panel selection process ▪ Finalize Review Panel and Special Advisors recruitment and schedule ▪ Finalize schedule for in-country consultations and regional meetings ▪ Finalize communications strategy & schedule: coordinate with Water Awareness Program (WAP) ▪ Finalize design of review process and submit inception report presenting work plan
April	<ul style="list-style-type: none"> ▪ ADB Staff Workshop: Water Sector Network (WSN) and ADB water operations staff (12) ▪ Training Workshop for National River Basin Management Organizations (NARBO) Colombo, Sri Lanka (24-29) ▪ 2nd Regional Meeting of Apex Bodies in Bangkok, Thailand (27-29)
May	<ul style="list-style-type: none"> ▪ Review Panel Work Session #1: ADB HQ (9-13)
June	<ul style="list-style-type: none"> ▪ SEAWUN Convention on Water and Wastewater in Southeast Asia in Hanoi, Vietnam (7-9) ▪ Roundtable on Private Sector Participation in Urban Water Supply, Bangalore, India (15-16) ▪ In-country Consultation #1: CAMBODIA (1.5 days) (23-24)
July	
August	<ul style="list-style-type: none"> ▪ In-country Consultation #2: FIJI (1 day) (9) ▪ Review Panel Work Session #2: Bali, Indonesia (4 days) (26, 27, 30-31) ▪ In-country Consultation #3: INDONESIA (1 day) (25) ▪ 2nd Southeast Asia Water Forum in Bali, Indonesia (29-3)
September	<ul style="list-style-type: none"> ▪ In-country Consultation #4: KAZAKHSTAN (1.5 days) (15-16) ▪ In-country Consultation #5: INDIA (1.5 days) (28-29)
October	<ul style="list-style-type: none"> ▪ In-country Consultation #7: PHILIPPINES (1 day) (13 TBD) ▪ Proposed Water Week (15-17 or 17-19) ▪ In-country Consultation #6: PRC (1 day) (21) ▪ 2nd International Yellow River Forum in PRC (18-21)
November	<ul style="list-style-type: none"> ▪ Regional Consultation at ADB HQ (2-day) (17-18) ▪ ADB Staff Workshop #2 (one-day) (25 TBD)
December	<ul style="list-style-type: none"> ▪ FINAL Review Panel Work Session #3: ADB HQ (1-6)
2006	
January	<p>FINAL STEPS OF REVIEW PROCESS:</p> <ul style="list-style-type: none"> ▪ DG RSDD and Panel Chair discuss interdepartmental comments and finalize the Panel Report ▪ DG RSDD submits report to ADB's Management for endorsement to circulate to ADB's Board of Directors as a Board Information Paper (as stipulated in the policy) ▪ RSDD posts Panel Report on ADB website
February	<ul style="list-style-type: none"> ▪ ADB initiates follow up actions in response to the Panel Report

Appendix 4: Summary of Assessments and Review Processes to Date

A. 2003 Interim Review

In 2003, ADB conducted an interim review to assess the implementation of ADB's water policy approved in 2001. This review identified 40 policy actions in the seven policy areas and examined how these had been integrated into the 117 ADB loans and TAs.

Scope

The scope of the review encompassed the following:

- water assessments and policy dialogue in DMCs
- design of loan and technical assistance projects
- response to ADB's poverty reduction strategy
- progress of regional cooperation
- internal ADB actions
- impact of ADB's 2002 reorganization on policy implementation
- impact of the Cooperation Fund for the Water Sector on operations

Methodology

The interim review was an in-house exercise relying on information gathered through desktop analyses of project documents, completion of checklists for policy actions, and surveys of regional directors. While the process was internal, the report was posted on the website to secure comments from DMCs and NGOs.

Key Findings

The review determined that ADB had made encouraging progress to help its clients expand the delivery of water services, conserve water, foster participation, and improve governance. ADB made modest progress in fostering integrated water resource management (IWRM) and in promoting regional cooperation. Key findings include the following:

- 54% of ADB's water loans approved after the water policy's adoption are consistent with the policy
- 20% of water TA projects examined were consistent with the policy
- 29% of DMCs with ADB water financing operations conducted comprehensive water assessments (5 in 17)
- 53% of DMCs have national water policies in place (9 in 17)
- 59% of DMCs are conducting national water sector reforms (10 in 17)

Significant gains were also made by DMCs to involve more stakeholders in their efforts to adopt reforms and improve governance in the water sector. ADB also achieved positive gains in improving information dissemination, capacity building, monitoring and coordination for the operations departments. Moreover, the Cooperation Fund for the Water Sector provided much-needed additional resources to catalyze policy implementation while also providing a strategic framework and creating synergy among ADB's water operations. Additionally, ADB's reorganization in January 2002 provided considerable additional support to operational departments through the Water Sector Committee and Network, supported by the water focal point (Water Team) in the Regional and Sustainable Development Department.

Key Recommendations

The interim review resulted in recommendations for internal ADB actions as well as external actions in the DMCs. Key recommendations are as follows:

In the DMCs: Pursue national water sector reforms, develop capacity, & address financing issues.

1. *Conduct comprehensive water sector assessments* to guide sector-level policy dialogues and develop national policies. Only 5 in 17 DMCs with water operations completed comprehensive national water sector assessments. While 9 of these DMCs had national water policies in place and 10 are engaging in water sector reforms, no sector-level policy dialogues had taken place at the time of the interim review.
2. *Increase investments* in institutional development at sector and sub-sector levels.
3. *Adopt new financing methods*, particularly with the private sector, and for cost recovery.

Within ADB: Embed the water sector and the water policy better in CSP processes and in the project cycle, and strengthen water staffing.

1. *Operations departments to improve project design* to be more consistent with the water policy, in particular in TAs. Only 20 percent of the TAs were consistent with the water policy.
2. *ADB to adopt water management as a thematic classification*, including both the delivery of water services and the management of water resources, as advocated in the water policy.
3. *ADB to improve staff strength in water specialists*, particularly in policy and institutional development, water quality and wastewater management, social sciences and resource economics, and private sector participation.

Overall, the review resulted in three key overarching recommendations focused on policy dialogue and sector reforms, development priorities and investments, and measurable indicators and best practices. Key points for each recommendation are as follows:

Undertake Policy Dialogue and Promote Sector Reforms.

1. Conduct more comprehensive national water sector assessments:
2. Develop and refine water sector roadmaps as the critical foundation for CSP/U preparation.
3. Provide advice in developing and testing policy dialogue with DMCs and replicating the results.

Review Development Priorities in DMCs and Align Investments

1. Examine development priorities in preparation of CSP/Us to increase water sector investments.
2. Prioritize ADB resources to support comprehensive water sector assessments, reforms and development needs in the DMCs so that the most urgent needs can be met within the budget constraints and TA and lending ceilings.
3. Consider modalities to conduct sector assessments and support sector reforms beyond PPTA.

Develop Guidelines for Project Design, Establish Measurable Indicators, and Disseminate Best Practices

1. Establish guidelines, checklists and generic terms of reference for water project designs and projects with significant water components.
2. Align guidelines and checklists with the 40 actions outlined in the water policy, incorporating key elements of the poverty reduction strategy (pro-poor sustainable growth, social development, and good governance), and targeting harmonization with other aid organizations' efforts and global benchmarks e.g. the MDGs and the World Bank Water Resources Strategy.
3. Disseminate examples of well-designed projects and project frameworks with measurable indicators linked to water policy requirements.

ADB's Response to Interim Review Recommendations

ADB has responded to nearly every recommendation with some measure of follow-up action since the interim review concluded. Key initiatives underway are summarized in the table below.

Priority Area	Initiatives Underway
Water Sector Reforms, DMC Priorities and CSP Process	Starting with the 4 th Phase RETA under the water fund approved in 2004, support was offered to operations divisions on a pilot basis for water sector assessments and policy dialogue in DMCs, and CSP preparation.
Capacity Development and Knowledge Management	The Water Sector Committee approved a capacity development program for DMC and ADB water staff focused on knowledge management (KM) for water reforms. KM applications were developed for launch in 2005 to improve information and experience sharing.
Financing Issues	In 2004, RSDD launched a Financing Water program to address critical water financing issues. Specific initiatives to date included: advocacy package on tariff reform, pilot implementation of small piped water networks, and financing for small-scale piped networks.

The interim review also highlighted the need to revise the policy provision for large water resources projects that involve dams. The recommendation involved modifying the impractical requirement for all stakeholders to agree on the justification of large water resources projects with the provision that, "...stakeholders must be provided the opportunity to comment regarding the justification with their views considered. The ADB will promote the participation of government, civil society and other stakeholders in the country towards this end."

The review noted that while ADB should continue to pursue a cautious approach to projects involving dams, it is impractical to expect all stakeholders to agree on the justification for such projects. The Water Sector Committee recommended to revise the policy provision in the context of ADB's new accountability mechanism, and to reflect how ADB can promote the participation of stakeholders in project preparation. Water agencies, NGOs, and other interested stakeholders were invited to send their comments in 2004. The comments received were reviewed, and a revised proposal was submitted and approved by ADB's Management and Board of Directors in January 2005.

B. 2004-2005 Updated Analyses

ADB is conducting an update to the interim review analysis to include projects through 2004. The expanded study attempts to quantify outputs achieved under each of the seven key elements and 40 policy actions of the water policy. How many river basin organizations (RBOs) and national apex bodies have been formed? How many national water policies have been enacted? ADB aims to finish this updated assessment in time for discussion during the Review Panel's second work session scheduled 25-31 August in Bali, Indonesia.

C. Progress to Date on Comprehensive Review Modalities

▪ In-country Consultations:

ADB expects to conduct seven in-country consultations for the comprehensive review. The schedule listed below has been coordinated with the Resident Missions, related regional events, and other ADB policy reviews planned for 2005. The consultations will be scheduled in countries representing the five regions ADB serves and will involve stakeholders from national and sub-national levels of

government, elected representatives, civil society including NGOs and academe, private sector, the media, and other institutions involved in water sector related work. In selecting participants and outlining the agenda, ADB will strive for a balanced representation across stakeholder groups, geography, ethnicity, gender, and the main subsector and thematic areas outlined in ADB's work.

The consultations are expected to take place during the months of June to November 2005. The in-country consultations are designed to generate feedback on policy implementation and other inputs to improve water operations, considering:

- experience in implementing the water policy
- achievements and lessons learned
- challenges and investment requirements
- opportunities and areas for improvement
- issues specific to the country and region that require attention

Review Panel members plan to participate in in-country consultations, interacting with various stakeholder groups across the region.

- Regional Events and Workshops

Throughout the review process, ADB expects to participate in several regional events to secure feedback through surveys circulated to stakeholders and conference participants and to share progress reports on the review. In addition to attending regional events, ADB is working with PRC to organize Water Week 2005, tentatively scheduled for 17-19 October 2005. ADB also expects to organize a regional workshop at ADB HQ in Manila to learn from the in-country consultations and get further advice on key topics and themes.

The schedule to date for the regional and in-country consultations is listed below.

Table 1: Tentative Schedule for Regional and In-country Consultations

Country	Regional Department	Proposed Dates
<i>In-country</i>		
Cambodia (Phnom Penh)	Mekong	23-24 June 2005
Fiji (Suva)	Pacific	9 August 2005
Indonesia (Bali)	SERD	25 August 2005
Kazakhstan (Almaty)	ECRD	15-16 September 2005
India (New Dehli)	SARD	28-29 September 2005
PRC (Zhengzhou)	ECRD	21 October 2005
Philippines (Manila)	SERD	October/November TBD
<i>Regional Events</i>		
PRC	Proposed Water Week	17-21 October 2005
Philippines	Regional Workshop	17-18 November 2005

- ADB Staff Workshops

ADB will organize in-house staff workshops and circulate surveys to elicit feedback from ADB's water operations directors and Water Sector Committee and Network staff members and consultants. ADB staff workshops and surveys aim to:

- review and respond to key findings and recommendations from the 2003 interim review

- outline the expanded scope of the 2005 comprehensive review
- secure feedback on ADB's performance and progress to address key water sector priorities
- identify benchmarks and criteria to measure ADB's progress in implementing the water policy
- identify key constraints facing water operations staff and ADB clients
- identify necessary resources or technical inputs to improve implementation of ADB's water policy
- identify priority investments and business opportunities that ADB should pursue in the next year.

In April 2005, more than 30 staff (WSN and water operations colleagues) attended the first ADB staff workshop to help launch the comprehensive review and address key issues raised during the 2003 interim review. A very short survey targeting the members of the Water Sector Network (WSN) and other water project staff has also been circulated and initial responses from approximately 30 staff members have been tabulated. This "5-Minute Pulse Check" was designed to gauge perceptions on performance, constraints, and lending that could boost ADB's water operations in the next year.

Among respondents, there is a general consensus that ADB is making modest gains to promote national water sector reforms, implement IWRM, foster regional cooperation, conservation, and governance. However, several respondents stressed the need to improve efforts to promote national water sector reforms and water conservation. Perceptions were somewhat aligned regarding key constraints facing water policy implementation as capacity development, water sector reforms, and financing issues all ranked high. Capacity development in the DMC's was identified as the greatest constraint facing ADB staff and clients in implementing the water policy.

- Client and Stakeholder Survey and Website

As mentioned earlier, ADB expects to participate in several regional events to secure feedback through surveys circulated to stakeholders and conference participants and to share progress reports on the review. A client and stakeholder survey is also available on line at <http://www.adb.org/Water/Policy/review-draft-paper.asp>. Throughout the review process this website will serve as a clearinghouse for information about the comprehensive review and feedback from ADB stakeholders.

D. External Studies Relevant to the Review

ADB has recently partnered with international NGO, WaterAid, which is conducting a donor effectiveness study and preparing its NGO partners for constructive engagement in ADB's review process through discussion of the findings of their study. The review process could benefit in many ways from this partnership. As WaterAid outlines in its own concept papers, their effectiveness study should underscore the fact that ADB's policy implementation review is acknowledging independent evidence-based reviews and employing participatory approaches to NGO involvement in the Review process.

ADB staff will also monitor and take part in relevant regional activities such as critical research studies or evaluations to inform and improve the review process. Importantly, ADB is preparing the second progress report on MDGs in Asia in coordination with UNDP and UNESCAP. Moreover, ADB will take the lead in preparing a technical background paper specifically on water and the MDGs, which will be launched in August shortly before the second work session of the Review Panel.

Appendix 5a: Client and Stakeholder Survey

ADB Water Policy Implementation Review

Client and Stakeholder Survey

June 2005

Date				
Name (optional)		Age	Gender	<input type="checkbox"/> Male <input type="checkbox"/> Female
Position		Organization		
Country		Email Address		

My Organization:

- Central Government
- Sub-National Government (Region/State/District/Local)
- International NGO/Civil Society Organization
- National NGO/Civil Society Organization
- Local NGO/Civil Society Organization
- Trade Union
- Private Sector/Business Association
- Private Citizen
- Multilateral/Intergovernmental Agency
- University/Educational Institution
- Research Institute/"Think Tank"
- Other (specify): _____

My Work:

- Water resources management
- Urban water supply & sanitation
- Rural water supply & sanitation
- Bulk water supply
- Irrigation & drainage
- Hydropower
- Flood management & urban drainage
- Disaster response & mitigation
- Watershed management
- Environment improvement
- Wastewater control & treatment
- Marine & coastal management
- Others (specify: related field in health, education, environment, public governance)

Please take 10 minutes to answer the following 7 questions. Your response refers to:

- Asia Pacific Region, OR
- Specific Country: _____

1. **ADB's water policy aims to support its clients in the Asia Pacific region in the following seven areas. In which of these has progress been highest?** *Please select up to 3 areas where progress has been highest.*

- | | |
|--|--|
| <ul style="list-style-type: none"> <input type="checkbox"/> National water sector reforms <input type="checkbox"/> Integrated water resources management <input type="checkbox"/> Expansion and improvement of water services <input type="checkbox"/> Water conservation and water use efficiency | <ul style="list-style-type: none"> <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Stakeholder consultation and participation <input type="checkbox"/> Good governance and capacity building |
|--|--|

2. **Where should ADB concentrate its water investments over the next 5 years (through 2010)?** *Please select up to 3 areas for priority investments.*

- | | |
|--|--|
| <ul style="list-style-type: none"> <input type="checkbox"/> Urban water supply <input type="checkbox"/> Rural water supply <input type="checkbox"/> Sanitation <input type="checkbox"/> Wastewater management <input type="checkbox"/> Integrated water resources management in river basins (IWRM) <input type="checkbox"/> Irrigation and drainage | <ul style="list-style-type: none"> <input type="checkbox"/> Flood management <input type="checkbox"/> Hydropower <input type="checkbox"/> Transboundary rivers management <input type="checkbox"/> Regional exchange of experience <input type="checkbox"/> Regional networking for capacity development <input type="checkbox"/> Other: |
|--|--|

3. **What should ADB include in its water investment packages?** *Please select up to 3 options to be included.*

- | | |
|---|--|
| <ul style="list-style-type: none"> <input type="checkbox"/> Sector assessments and analyses of issues <input type="checkbox"/> Policy dialogue <input type="checkbox"/> Technical assistance | <ul style="list-style-type: none"> <input type="checkbox"/> Infrastructure (new and rehabilitation) <input type="checkbox"/> Capacity development <input type="checkbox"/> Development partnerships |
|---|--|

- Regional cooperation
- Other:

4. **How could ADB become more responsive to client needs and increase its water investments?** *Please select up to 3 approaches to increase investments.*

- Program approach (multi-donor budget support to government)
- Sector approach (financing subprojects selected by government)
- Project approach (financing of projects designed in advance)
- Lending to national ministries and agencies
- Lending to local government
- Private sector participation (without government guarantees)
- Other:

5. **Which of these changes (suggested by participants of ADB's Water Week 2004) are the most important?** *Please select up to 3 changes.*

- Working more selectively with the right information, organizations, and leaders
- Empowering civil society organizations as catalysts for water sector reform
- Promoting credible water regulatory bodies for water services
- Linking formal and informal water service providers
- Catalyzing water investments to the rural poor
- Investing more in nonstructural interventions
- Lending more to subsovereign partners
- Other:

6. **Which of the following options would be most effective in promoting community ownership of water infrastructure and services in poor rural areas?** *Please select up to 3 options.*

- Small private water networks
- Community-managed water networks
- Handover of management to water user organizations
- Service agreements between water providers and water user organizations
- Participation of NGOs/CBOs in projects implemented by local government
- Water awareness campaigns by local government and service providers
- Water education in schools

7. **Which of the following groups or organizations should ADB partner with in the next 5 years?** *Please select up to 3 partners or partnerships that ADB should pursue.*

Advocacy:

- Media and journalists
- Civil society organizations
- International advocacy NGOs
- United Nations organizations
- World Water Council

Co-financing:

- Public-private partnerships
- Bilateral funding agencies

Knowledge:

- Universities and institutes
- Multilateral development banks
- Global Water Partnership

- International organizations e.g. IWMI, IFPRI, IUCN, WWF
- International professional associations

Capacity:

- Networks among national water apex bodies, river basin organizations, water utilities, and regulatory bodies
- Regional water partnerships
- Country water partnerships
- Professional associations
- Research organizations

Other:

- Other:

Please submit your completed survey to ADB staff at the event you are attending. You may also fax your responses to ADB's Water Team at +63 2 636 2381/2356 or visit ADB's water website at <http://www.adb.org/water> to complete this survey online.

Thank you for your time and interest! Visit our website for regular updates on the review process.

Appendix 5b: NGO Cooperation Survey
ADB's NGO Center Questionnaire

ADB-Government-NGO Cooperation

In May 2003, former ADB President Tadao Chino approved ADB-Government-NGO Cooperation: A Framework for Action, 2003-2005 (The Framework). The Framework has sought to give full effect to relevant ADB policies, in particular the Policy on Cooperation Between ADB and Nongovernment Organizations (1998). The Framework was developed over several months in a participatory manner with input from hundreds of representatives of ADB, governments, NGOs, and the private sector. Over the past two years, the Framework has provided a common frame of reference for cooperation among ADB, governments, and NGOs in the context of ADB-assisted activities.

The overall goal of the Framework has been: "improved cooperation among the ADB, NGOs, and governments to reduce poverty in the Asia and Pacific Region through collaborative efforts to promote pro-poor sustainable growth, social development, and good governance."

ADB will soon begin formulation of a new action plan for tripartite cooperation for the period 2006-2010. To contribute to a review of the Framework, and to help prepare for the drafting of a new action plan, ADB seeks your views and input. Thank you for taking a moment to complete this short questionnaire.

1. Are you familiar with *ADB-Government-NGO Cooperation: A Framework for Action, 2003-2005*? (If not, please check "No" and skip to question 6).

- Yes, I know something about *the Framework*
 No, I do not know anything about *the Framework*

2. In which of the following five areas has the greatest progress been made since 2003 in improving ADB-Government-NGO cooperation? (Check up to three).

- Strengthening NGO participation in ADB-supported activities
 Enhancing transparency and accountability through access to information
 Developing ADB's capacity for NGO cooperation
 Building NGO capacity and providing institutional support
 Strengthening Government-NGO cooperation and collaboration

3. What have been the most significant contributions by ADB to implementing *the Framework* and strengthening ADB-Government-NGO cooperation over the past two years?

4. What have been the most significant contributions of NGOs and other civil society organizations to implementing *the Framework* and strengthening ADB-Government-NGO cooperation over the past two years?

5. What have been the most significant contributions of ADB member governments to implementing *the Framework* and strengthening ADB-Government-NGO cooperation since 2003?

6. A new action plan for ADB-government-NGO cooperation (2006-2010) should give greatest attention to the following priorities (check up to three).

- Strengthening NGO participation in ADB-supported activities
- Enhancing transparency and accountability through access to information
- Developing ADB's capacity for NGO cooperation
- Building NGO capacity and providing institutional support
- Strengthening Government-NGO cooperation and collaboration
- Other (please specify: _____):
- Other (please specify: _____):
- Other (please specify: _____):

7. What are the most significant obstacles to strengthening ADB-Government-NGO cooperation?

8. In what country do you live?

9. What description best fits your organization? (Check one).

- Government/public sector body
- Academic/research institution
- Advocacy/issue-based NGO
- Service-delivery NGO
- Nonprofit community-based organization
- Other (please specify: _____)
- Trade union/workers organization
- Professional association
- Foundation
- Business/profit-making enterprise
- International organization/IFI

10. If you would like to be kept informed about the development of a new action plan for ADB-Government-NGO Cooperation, please provide your e-mail address here:

APPENDIX 6: Summary of ADB Water-related Projects in Fiji and the Pacific Region

PROJECT NAME		PROJECT TYPE
Completed Projects		
FSM	Water Supply and Sanitation Project	Loan
PNG	Third Urban Water Supply Project	Loan
RMI	Majuro Water Supply and Sanitation Project	Loan
VAN	Urban Infrastructure Project	Loan
Regional	Promotion of Effective Water Management (Kiribati and East Timor Components)	TA
On-going Projects		
FIJ	Suva Nausori Water Supply and Sewerage Project	Loan
FIJ	Capacity Building in Water and Sewerage Services (Piggybacked to Loan 32200-01)	TA
KIR	Sanitation, Public Health, and Environment Project	Loan
PNG	Provincial Towns Water Supply and Sanitation Project and Proposed; for Administering Grant from The Japan Fund for Poverty Reduction - Low-Cost Sanitation Community Awareness and Health Education	Loan
SAM	Sanitation and Drainage Management	Loan
SAM	Institutional Strengthening for Drainage and Wastewater Management (Piggybacked to Loan 28314 - 01)	TA
TIM	Integrated Water Resources Management	TA
TUV	Effective Waste Management and Recycling Project	TA
Pipeline Projects		
COO	Water and Sanitation Management	Loan
COO	Environmentally Sustainable Infrastructure Project (Formerly Water and Sanitation Management)	TA
KIR	Water Resource Development in Regional Growth Centers	Loan
KIR	Capacity Building for Water Use Optimization	TA
SAM	Sanitation and Drainage, Phase 2	Loan
SAM	Savaii Renewable Energy (Hydropower Project)	Loan
SAM	Preparation of Sanitation and Drainage, Phase 2	TA
SAM	Savai Renewable Energy Support	TA
TON	Urban Sector Planning/ Basic Social Infrastructure	Loan
TUV	Water, Sanitation and Waste Management	TA
Regional	Adaptation to Climate Change in the Pacific	TA
Regional	Formulation of the Pacific Region Environmental Study	TA

APPENDIX 7: Fiji Water Sector Roadmap

Fiji possesses a delicate ecosystem, while also relying heavily on the exploitation of its natural resources to support its economic well-being. This has led to tensions between the need for exploitation of these resources to satisfy the requirements of economic development, and the protection of such resources to ensure long-term resource and environmental sustainability. This is particularly the case with fresh water resources, which are coming under increasing pressure from accelerating and conflicting demands on resource use.

While Fiji benefits from a plentiful supply of fresh water and a high annual rainfall (varying between 1,500 mm per year on some outer island to over 7,000 mm per year on the hills of the windward side of the two main islands), the uneven spatial and temporal distribution of this rainfall causes occasional flooding and periodic drought. Up to 80% of rainfall is experienced during the pronounced wet season from November to April, and the leeward sides of islands suffer from little or no rainfall during dry seasons – further exacerbated by the periodic onset of El Nino.

Demand for fresh water will increase dramatically over the next few years as a result of:

- The fresh water requirements of increasing urbanization and further industrial development – particularly of the tourism industry.
- Agricultural diversification towards crops demanding irrigation, as the sugar industry continues to decline.

The ability of the sector to continue to satisfy these increasing demands without threatening resource sustainability is compromised by ineffective and inefficient regulation and management of water resources, chiefly as a result of the following constraints:

- Unclear ownership, custodianship, jurisdictional authority and provenance over water resources (complicated by the customary rights over water resources by indigenous land owners)
- Inadequate and unclear policy and regulatory environment governing the exploitation and use of fresh water resources.
- The involvement of a large number of ministries in the water sector without clear coordination mechanisms
- The absence of a national water resource management plan and of a catchment-based perspective for water resource management and conservation
- Inefficient use of water resources and inadequate cost recovery mechanisms for users ,
- Poor management and inadequate standards for the discharge of wastewater to the environment.

This Water Sector Road Map for Fiji has been prepared in discussion with the GoF ministries and departments most heavily involved in the water sector (including Ministry of Works, Ministry of Lands and Mineral Resources, Ministry of Environment and Ministry of Agriculture Forestry and Fisheries). It sets out key activities which can help address the sector constraints outlined above, and presents the likely outcome for the sector of such actions in short and medium-term timeframes. The outcome from the roadmap would be:

- Clear jurisdictional authority over Fiji's water resources and a clear water sector policy.
- Improved management of water resources, better coordination between the key water using agencies and a catchment perspective for water resource management.
- More effective and efficient use of fresh water leading to sustainable water use and mitigation of the negative impacts and costs associated with periodic floods and drought.
- Improved cost recovery for water use and wastewater treatment and disposal, leading to increased investment and more sustainable water cycle management.
- Improved public health and quality of the environment.

The anticipated impacts of the roadmap are developed on the assumption that global climate change does not significantly negatively impact upon the sector during the time-frame of the plan, except to the extent that such impacts can be mitigated through the water sector policy and management plan itself.

Fiji Water Sector Roadmap Tables

A. Sector Outcomes	Indicators				
	5 past	Current	5 years	10 years	15 years
National Water Policy Reform					
1. Effective national water policy	None	Under preparation and discussion	Exists and effective	Exists and effective	Exists and effective
2. Effective water sector apex body	None	National Coordination Committee established and operational	Permanent Water Apex Body established and effective	Exists and effective	
3. Effective water sector action agenda	None	Under development	Exists and under implementation	Under implementation with periodic review	
Water Ownership and Use					
4. Clear ownership of water resources	Unclear custodial powers over water resources	Policy clarifies custodial powers over water resources.	Exists and effective		
5. Effective managed use of water resources	Uncoordinated competing demands and uses	Development of effective coordination mechanisms	Coordination mechanisms exist and are effective	Exists and effective	
Water Resources Management					
6. Total annual withdrawals as share of annual water resource potential ⁱ For area from Sigatoka to Rakiraki ⁱⁱ	Unknown Estimated at <5%	Estimated at 7% Estimated at about 5%	Less than 10% Estimated at 30 to 40%	Less than 12% Estimated up to 60%	Less than 15% Estimated at >60%
7. Existing policy and capacity to collect, coordinate and manage water data among agencies	None	Limited; Policy and capacity under development	HYCOS model exists and effective for surface waters	HYCOS model and Groundwater & Stream water models operational and effective	
8. River basin perspective for management and development	None	Limited to Wai Bula Bula Ridge to reef and Nadi river	Effective in four major water catchments	Effective in all major catchments Viti Levu	Effective in all major catchments
9. Clear responsibilities for integrated water resources management	Unclear	Water Policy under preparation defining responsibilities.	Responsibilities defined and integrated water resource management in place.	Responsibilities defined and integrated water resource management in place.	

A. Sector Outcomes	Indicators				
	5 past	Current	5 years	10 years	15 years
10. Water quality effects ⁱⁱⁱ	Poor in coastal areas and urban streams	Poor in coastal areas and urban streams	Coastal and urban stream water quality demonstrably improved	Water Quality meets enacted standards at 50% monitoring locations	Water Quality meets enacted standards at 90% monitoring locations
11. Effective water resources (incl. Water quality) and environmental management in place	None	Sustainable Development and Pollution Control Bills Under finalisation	Sustainable Development and Pollution Control Bills with implementing regulations enacted and under implementation	Provisions of SDB and PCB exist and effective	
12. Economic losses from floods ^{iv}	FJ\$ 9.1 m	FJ\$ 8 m	<FJ\$ 5 m	< FJ\$ 3 m	<FJ\$ 2 m
13. Economic losses from droughts - Direct costs (water transportation) FJ\$ ^v	1 million	1 million	< 1 million	< 1 million	< 1 million
Indirect Costs (drought damage to crops, employment, health, wages and employment) ^{vi} . Expressed as reduction in annual rate of increase in GDP over period of most extreme drought.	3% reduction	3% reduction	2-3% reduction	< 2% reduction	< 2% reduction
14. Management of water-related impacts caused by natural disasters	Limited disaster management planning	Disaster management and contingency plans under preparation	Disaster management and contingency plans in place.	Disaster management and contingency plans in place, operational and effective.	
Water Service Delivery					
15. Access (%population) to safe water ^{vii}	80%	85%	91	96	98
a. Urban	93%	96%	98	100	100
b. Rural	68%	75%	85	90	95
16. Access (%population) to adequate sanitation ^{viii}	67%	75%	85	93	97
a. Urban	82%	85%	90	95	99
b. Rural	52%	65%	80	90	95
17. Wastewater treated to adequate standards (%) ^{ix}	25%	27%	40%	60%	80%
18. Water-related diseases ^x					
a. Infantile diarrhea (children under 5)	6528	3402	<4000	<2000	<1000
b. Diarrhoea (all)	7498	4067	<5000	<3000	<1500
b. Gastrointestinal diseases (reported as dysentery)	174	83	<100	<50	<25
c. Infectious hepatitis	117	92	<100	<50	<25
d. Typhoid	7	4	<4	<2	<1
e. Dengue fever	1402	170	<200	<100	<50
19. Master Plan guided service improvement ^{xi}	NA	Ongoing	Ongoing	ongoing	New plan developed
20. Non-revenue water performance	50%	60%	38	26	20
a. Water losses from leakage	35%	50%	30	20	15
b. Other non-revenue water	15%	10%	8	6	5
21. % Central collection and treatment of urban wastewater ^{xii}					

A. Sector Outcomes	Indicators				
	5 past	Current	5 years	10 years	15 years
a. Municipal collection and treatment	<45%	45%	60	80	95
b. Private industrial wastewater treatment and disposal (excl sugar)	<30%	35%	50	70	90
c. Industrial wastewater treatment and disposal (incl sugar industry)	<10%	10%	30%	50	>50
22. Level of treatment of wastewater treatment ^{xiii}	Partial secondary	Partial secondary	Secondary	Secondary	Secondary
23. Independent Water Utility Management ^{xiv}	W&S section under PWD in Ministry	Creation of water and sewerage department under ministry consideration	Transition to a W&S Corporation	Corporation established and operational as autonomous body	
24. Cost recovery for urban water services ^{xv}					
a. Water supply	60% of O&M cost	52% of O&M cost	100% maintenance excluding staffing	100% O&M & debt interest	100% O&M & debt interest and depreciation
b. Wastewater management	60% of O&M cost	52% of O&M cost	100% maintenance excluding staffing	90% O&M & debt interest	90% O&M & debt interest and depreciation
c. Collection efficiency	67%	60%	85%	90%	95%
d. Life-line tariff band (cum/month)	17	17	10	10	
25. Private sector participation in urban water services	None	Outsourcing small works and water trucking	Outsourcing of appropriate works	Greater involvement of private sector as appropriate under contract and in partnership with W&S corporation.	
26. Effective regulatory system for water supply	Limited to drinking water quality	Limited to drinking water quality	Covers all aspects of water supply and treatment	Covers all aspects of water supply and treatment	
27. Effective regulatory system for wastewater	No regulatory system in place	Regulatory system under development through PC Bill.	Regulatory system in place through PC Bill	Regulatory system in place through PC Bill	
28. Self-sustaining rural water supply systems	Limited number of systems self-sustaining	Introduction of mechanisms to improve self-sustainability of rural WS systems	> 50% of rural water supply systems self-sustaining	> 90% of rural water supply systems self-sustaining	100% of rural water supply systems self-sustaining
Agricultural Water Use					
29. Irrigation efficiency	Predominance of flood irrigation	Increased introduction of sprinkler and drip irrigation	Sprinkler and drip irrigation adopted in >50% areas where optimal	Sprinkler and drip irrigation adopted in all areas where optimal	

A. Sector Outcomes	Indicators				
	5 past	Current	5 years	10 years	15 years
30. Mechanisms for fixing irrigation and agricultural drainage rates	Fixed by commissioner and board and Gazetted	Develop rational and transparent method for establishing rates	New mechanism for establishing rates introduced	New mechanism for establishing rates in use.	
31. Cost recovery for agricultural drainage	<50% of O&M costs	50% of O&M costs recovered	80% of O&M costs recovered	100% of O&M costs recovered	
32. Cost-recovery for irrigation system O&M	<30% of O&M costs recovered	30-40% of O&M costs recovered	50-60% of O&M costs recovered	80% of O&M costs recovered	100% of O&M costs recovered
33. User participation in irrigation	Limited to few irrigated areas	Irrigation user groups being formed in most irrigated areas	Irrigation user groups formed and operational in most areas	Irrigation user groups formed and operational in all irrigated areas	
Water Issues Awareness					
34. Awareness programs in schools and for public	Limited, by NGOs	Limited with NGO partners – mainly in schools	Programs at all grade levels and for general public	Active and sustainable programs embedded into school curricular and public information.	
B. Sector Outputs					
1. Institutional Reform-Water sector services managed by independent agency, authority, or corporation		Sector planning	Loan TA attached to investment loan	Established and effective	
2. National Water Policy established		Sector planning	Full support	Established and effective	
3. Effective Water resources and environmental management		Sector planning	Full support of programs	Established and effective	
4. Increase water and wastewater collection and treatment rehabilitation in urban areas		Investments	Investments	Investments operational	
5. System water losses substantially reduced		Investments	Investments	Improvements sustained	
6. Sewage overflows, I/I, and exfiltration substantially reduced		Investments	Investments	Improvements sustained	
7. Water demand reduced		Water loss programme designed	Water loss program implemented	Improvements sustained	
8. Rural sanitation access increased		Planning and investments	Investments	Investment	Improvements sustained
9. Preparation of plans for delivery of services in poor areas		Planning	Investment	Improvements sustained	
10. Preparation of country-wide long term integrated water resource management plans with a view to identifying possible gaps and areas needing attention		Water sector policy under preparation	Support to preparation of Integrated water resource management plans	Plans prepared and interventions under implementation	

C. Sector Issues and Constraints
1. Inadequate funding, and inappropriately skilled and inadequate human resources and expertise to implement preventative maintenance program and efficiently operate existing system, which limits design, implementation and proper management of improvements.
2. Inadequate cost recovery due to low tariff structure, reform of which has been constrained by concerns of affordability, and billing and collection inefficiencies.
3. Unreliable, intermittent and occasionally poor quality supply of water in Suva-Nausori region resulting from inadequate raw water intake, high water losses, deteriorated system facilities and inefficient operations.
4. Environmental quality, particularly ground and surface-water quality, significantly degraded as a result of wastewater collection and treatment system deficiencies and inadequate coverage of centralized wastewater system, and poor connection rates in serviced areas; Public health also adversely affected.
5. Lack of clear resource management, coordination and information sharing among agencies involved in the water sector.
6. Lack of clarity of provenance and custodianship over water resources and absence of effective legislative framework for water resources management.
7. Lack of an effective legislative framework for environmental management, particularly for pollution control and protection of ground, surface and coastal water quality.
8. Limited river basin perspective for management, development and use of water resources.
9. Poor and vulnerable groups' access to urban services are constrained by (i) the poorly functioning urban land market, (ii) overall water and wastewater system deficiencies, (iii) affordability, and to some extent (iv) PWD connection regulations (landowner's written approval required).
10. Management of water and wastewater services for urban and rural sectors are combined at a single national level government Ministry, which suffers from the same human resources constraints in the water and wastewater sectors as in other sectors (roads, buildings) and from administrative inefficiencies.
11. Urban water services financial and operations and maintenance data are not fully disaggregated by budget head and sector.
12. Continued urbanization and tourism development will create additional demand for potable water supply and wastewater services.
13. Continued urbanization will continue to create additional demand for water and wastewater services.
14. Management of water resource use for irrigation, industrial and other uses is fragmented, institutional responsibilities are unclear and coordination is poor.

D. Actions, Milestones and Investments					
			By Agency		
Milestone	Issue	Schedule	ADB	Others/ External	Govt.
Establish Water and Wastewater Department	Institutional Reform: Water sector services managed by independent agency, authority, or corporation	2004	Loan assistance		Implement reform
Establish Water Services Authority or Corporation	Institutional Reform: Water sector services managed by independent agency, authority, or corporation	2005	Loan assistance		Implement reform
Implement Short-term program of Master Plan	Unreliable, intermittent and poor supply of quality water and wastewater management in Suva-Nausori region	2003-2008	ADB Loan	EU funded extended outfall	Ongoing programs and loan implementation
National Water Policy Implemented	Unclear custodianship of water resources, lack of coordination and information sharing, and poor resource management among agencies involved in the water sector.	2004-2006	ADB assistance through Loan TA	Support from SOPAC	Adopt and implement policy
Sustainable Development Bill enacted	Lack of effective legislative framework for water resources management	2004	ADB assistance through Loan TA		Enact legislation
Marine Pollution Prevention Bill, revised Public Health Act and Pollution Control Bill Enacted	Lack of effective legislative framework for environmental management, particularly pollution control and water quality	2004	ADB assistance through Loan TA	Support from WHO	Enact legislation
Preparation of plans for delivery of services in poor areas	Poor and vulnerable groups' access to urban services are constrained	2004	ADB TA and loan assistance		Develop programs and implement
Tariff and Subsidy Program adjusted to provide full cost recovery	In adequate cost recovery due to low tariff structure, reform of which has been constrained by concerns of affordability, and billing and collection inefficiencies.	2006	ADB assistance through loan TA		Agree on tariff and subsidy structures. Implement.
Additional funds for urban system mobilized through challenge fund, bond issue or direct borrowing	Inadequate resources for system enhancement due to poor cost recovery and low tariff structure, reform of which has been constrained by concerns of affordability, and billing and collection inefficiencies.	2009			Develop and implement policies and procedures.
System and programs for integrated water resource management developed and implemented	Lack of coordination and information sharing, poor management among agencies involved in the water sector	2007		Assistance from SOPAC and PWA	Develop and implement
Master Plan for Medium Term Program of Water and Sewerage reviewed and updated; investment plan prepared	Continued urbanization will continue to create additional demand for water and wastewater services Inadequate coverage of centralized wastewater system	2007	ADB technical support		Initiate and complete plan, implement priority actions.

Notes:

ⁱ Based on estimated total annual water resources.

ⁱⁱ Based on projections of Land and Water Resources Management Division of Ministry of Agriculture Fisheries and Forestry.

ⁱⁱⁱ Based on limited quantitative data from CBH and other sources complemented by anecdotal information and by observation.

^{iv} 5-year past data based on annual average recorded damage based on flood damage survey conducted under JICA study of four major river basin catchments on Viti Levu.

^v Based on estimated costs from PWD, cost increases to approx. FJ\$ 2 million per annum during drought years.

^{vi} Estimates based on work carried out as part of “Regional El Nino Social and Economic Drought Impact Assessment and Mitigation Study; SOPAC, 2000”. Projections assume: (i) current mitigation measures continue and (ii) that these are adequate to neutralize the possible deepening of periodic drought conditions as a result of global climate change in the longer-term (10 to 20 year horizon).

^{vii} Definition of access to safe water needs to be agreed and data updated accordingly – here assumed as piped supply (basis 1996 HIES and 2001 census).

^{viii} Definition of access to safe sanitation needs to be agreed and data updated accordingly. Here taken as water-sealed toilets

^{ix} Based on estimates of PWD following completion of EU-funded STP improvements and outfall extension.

^x 5-yr ago data is average figures for period 1995 to 1999; current are 2002 figures (source CBH); future figures are average over 5 year period.

^{xi} Master Plan for Water and Sewerage Services: Suva-Nausori, prepared under ADB TA3055-FIJ.

^{xii} By volume; and for domestic % population. For industrial based on PWD estimates and excludes sugar mill effluent unless stated.

^{xiii} Suva-Naisinu-Nausori-Lami; other urban areas: Nadi-Lautoka, Tavua, Raki-Raki, Labasa, Savu-Savu, Levuka and Navua/Deuba – including Pacific Harbour.

^{xiv} Detailed Institutional reform action plan prepared and agreed as part of ADB Suva-Nausori loan project.

^{xv} Based on revenue enhancement action plan for increased tariff and improved collections agreed with Government as part of ADB Suva-Nausouri loan project.